



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

MAR 15 2017

Ref: 8ENF-W-SDW

CERTIFIED LETTER
RETURN RECEIPT REQUESTED

Ms. Amy Archuleta, Senior Regulatory Supervisor
Elm Ridge Exploration Co., LLC
P.O. Box 156
Bloomfield, New Mexico 87413

Re: Underground Injection Control (UIC); Notice of Violation: Failure to Demonstrate Part II Mechanical Integrity and Failure to Submit a Timely Report for the Fassett 1 Salt Water Disposal Well (EPA Permit ID# CO20910-04483, API # 05-067-08397) – Ignacio Blanco Oil Field, La Plata County, Colorado

Dear Ms. Archuleta:

The Environmental Protection Agency has determined that Elm Ridge Exploration Co., LLC (Elm Ridge) has failed to demonstrate Part II mechanical integrity (MI) for the above referenced well. Pursuant to Part II, Section C.2.b of the above referenced permit, and its April 29, 2005 permit modification, Elm Ridge is required to demonstrate Part II MI at least once every 5 years. Demonstration of Part II MI, by way of a radioactive tracer survey and temperature log, were to be conducted in 2010 and in 2015. The EPA requested records of these tests by email on February 2, 2017. On February 7, 2017, a phone conversation with Terri Lindeman, of Elm Ridge, indicated that radioactive tracer surveys and temperature logs had not been conducted on the well. Elm Ridge's failure to demonstrate Part II MI is a violation.

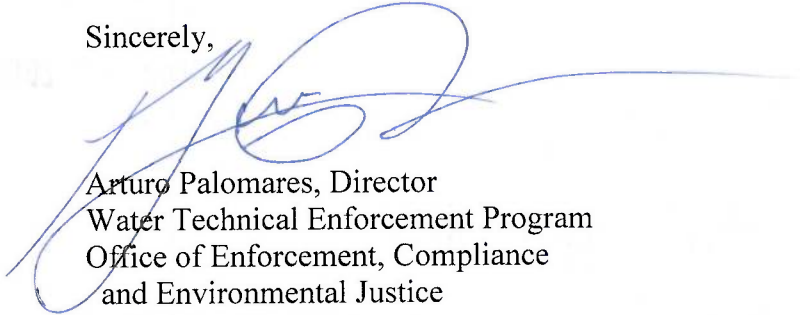
Additionally, on February 7, 2017, the EPA received a Part I mechanical integrity test (MIT) conducted on September 23, 2013. Pursuant to Part II, Section C.2.a of the above referenced permit, Elm Ridge is required to submit the Part I MIT test no later than 60 days after the test is complete. Elm Ridge's failure to timely submit the Part I MIT is a violation.

Within 30 days of receipt of this letter, please submit a letter describing what action you intend to take regarding the well, including a time frame in which you anticipate the work to be completed. It is expected that you will return this well to compliance within 90 days of the loss of mechanical integrity. If you choose to plug and abandon this well, the approved plugging and abandonment plan that is incorporated into the permit must be followed. Any deviation from that plan must be submitted to the EPA for approval prior to the plugging operation.

Any failure to comply with the UIC regulations found at 40 C.F.R. parts 144, 146, and 148 is subject to enforcement by the EPA, as provided in section 1423 of the Safe Drinking Water Act, 42 U.S.C. § 300(h)(2).

If you have any questions concerning this letter, you may contact Gary Wang at (303) 312-6469. Please direct all correspondence to the attention of Gary Wang at Mail Code 8ENF-W-SDW.

Sincerely,



Arturo Palomares, Director
Water Technical Enforcement Program
Office of Enforcement, Compliance
and Environmental Justice

cc: Clement Frost, Chairman
Southern Ute Indian Tribe

Thomas Johnson, Division Head
Southern Ute Environmental Program